

## Operation Enterprise - Celebrating a Decade of Success

**B**oldly going where no marketing program has gone before, Operation Enterprise is celebrating a decade of success in marketing the ARMS program. Operation Enterprise is a national cooperative marketing effort that promotes ten Army Ammunition Plants (AAP) throughout the United States.

Originally the ARMS program featured 15 AAP locations but 5 were transferred to reuse authorities. The ten remaining facilities represent over 100,000 acres, 17 million square feet of buildings and 400 miles of rail access/storage capacity. One of the central questions about the ARMS program was how to market the facilities and attract tenants. A key component of the ARMS program success was the development of the innovative Facility Use Contracting Initiative - a streamlined program that is attracting private business and industry to locate on the installations and make use of existing facilities and infrastructures already in place. Essentially, the Army conducts business with one facility contractor per site, saving time and complications of Army/tenant or lessee multiple agreements. Another key element was the creation of a national marketing effort - Operation Enterprise - to help promote a global awareness of the breadth and scope of facilities and resources available while complementing individual facility use contractor's marketing plans.

"With 10 different plant locations, and multiple



contractor operators at these locations, there was a need to coordinate the ARMS program message to national and international prospects," said Jack Figg, Director of Business Development & Community Affairs at the Lake City Business Center located in Independence, Mo. "Use of a single 'national marketing' point of contact makes this possible with very little effort."

This unified approach has yielded several valuable marketing tools. These include a comprehensive website ([www.openterprise.com](http://www.openterprise.com)) which provides links back to each individual AAP's commercial website, a national award winning print advertising program, award winning ARMS program brochures and collateral materials, a strong presence at national and international trade shows/conferences and a global public relations plan that has produced several magazine and

1. Riverbank Industrial Complex 2. Lone Star AAP 3. NW Louisiana Commerce Center 4. Lake City Business Center 5. Commerce Center of SE Iowa 6. Milan Commercial Complex 7. MSAAP Industrial Complex 8. Holston Business & Technology Park 9. Alliant Techsystems Radford Facility 10. Scranton AAP

newspaper articles in publications such as Business Xpansion Journal, Trade & Industry Development and Corporate Real Estate Leader.

"There is no doubt that the collective effort of Operation Enterprise is more effective than what we could achieve individually," said Tony Hewitt, Commercial Development Director at the Holston Army Ammunition Plant located in Kingsport, Tenn. "Perhaps one of the best features of Operation Enterprise is the publicity and visibility

generated about the ARMS program. I also think that the News@ARMS newsletter is just one of the great publicity tools utilized by Operation Enterprise. It allows tenants and prospects to fully understand the range of businesses that have utilized the ARMS program. For our facility at Holston, the advertising program in Plant Sites & Parks magazine has also been tremendously successful in generating traffic to our Holston website."

Driving development and



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attracting tenants while reducing the government's operating costs, the ARMS program has been more successful than anyone originally imagined. The most recent PricewaterhouseCoopers review of the program (2003) illustrates this fact. Since 1993, the overall savings to the government has been \$254 million and the total economic impact in output is \$4.4 billion.

According to the same review, each AAP in 2003 was generating a significant savings to the government, with the Radford AAP leading the pack at \$12.4 million for the year.

Each AAP also has had a significant economic impact to their immediate region. The ARMS program created \$93.3 million in total economic impact and created/sustained 816 jobs at the Mississippi AAP for 2003. Other economic leaders include: the Radford AAP with \$80.5 million and 513 jobs; Riverbank AAP with \$61 million and 315 jobs and Lake

City AAP with \$60 million and 243 jobs.

In total for 2003, 126 tenants and 2,246 employees occupied rental space under ARMS. The savings to investment ratio reached .94 with projections of 1.41 by 2009. \$18.7 million was disbursed in ARMS investment and incentive funding. The Holston AAP lead the disbursements with almost \$7 million; signifying the importance of forward thinking projects such as Savewood, LLC and The Village at Allandale (a strip mall featuring office space, retail space and restaurants).

"At Holston we've picked all the low hanging fruit so to speak as far as our buildings are concerned," said Hewitt. "So we are branching out into niche markets like strip malls and nurturing companies like Savewood who come to us in the entrepreneurial spirit of business partners. Our biggest asset is land and our number one marketing strategy is to

analyze and match our assets with the needs of the marketplace."

From coast to coast, each AAP has been successful at attracting a wide array of businesses that range from one man shops to large corporations like Boeing. A majority of the AAP's have found that they have a distinct advantage in luring "green" or environmental companies to the facilities.

"You can't put together a better financing package and the ARMS loan guarantee is key," said John Moore, co-developer of GreenTech Panels, LLC and co-managing member of Savewood, LLC. "There are not a whole lot of choices when it comes to incurring long term debt. There is another separate USDA program that allows you to borrow money, but the ARMS loan program with the USDA is far superior in my opinion."

Moore should know. He secured \$16.5 million in loans and \$2.5 million in ARMS incentives for GreenTech and \$10 million in loans and \$3 in ARMS incentives for Savewood.

GreenTech Panels operates a 75,000 square foot facility on 10 acres at Louisiana AAP. The new mill will utilize post-consumer waste wood such as pallets, crates and construction materials to produce 64 million square feet of quarter-inch fire retardant panels annually.

Savewood will soon operate an 85,000 square foot facility on 10 acres at Holston AAP. Production is slated to begin in

the fall of 2005. Savewood recycles polystyrene rigid foam waste into new Purolflex™ panels that will be used as coreboard for the laminated flooring industry. These panels are both moisture and termite resistant.

"Savewood has the potential to be a major, major success for us at Holston," said Hewitt. "They have already pre-sold all of the production coming out of the plant for the first year. We are very excited about attracting such a dynamic and innovative company and I believe projects like this represent the future of the ARMS program."

For a decade, both the national cooperative (Operation Enterprise) and individual AAP marketing efforts have resulted in the continued growth and success of the ARMS program. This truly represents a win-win situation for all involved and the future looks brighter than ever.

"It can continue to be successful for 10 more years and it should be," said Figg. "There are any number of reasons why tenants locate to an ARMS facility but in almost every case, we are able to offer all tenants a less expensive lease rate when utilities and facilities are considered in total because our facility processes its own potable water and sewage and can enjoy the same electric and gas rates as a large user because of our single point distribution of these utilities. If a lease tenant can adapt to our on site rules and regulations, they will find an ARMS facility has real business advantages for them not available elsewhere."

## The ARMS program has achieved recognition and visibility through the following awards:

David Packard Excellence in Acquisition Award (2003)  
CoreNet Global Innovator's Award (2003)

NAID Excellence in Marketing Awards (1998-2003)

- 2003 Special Purpose Brochure for the ARMS Program Brochure
- 1998 Best of Show for production of single paid advertisement
- 1998 Honorable Mention for audio-visual production
- 1998 Honorable Mention for website

Harvey Communications Measurement Award (2003)  
APEX Award for Publication Excellence (2004)





## SaveWood LLC - Indicative of Continued Progress and Success of ARMS Program at Holston AAP

A new plastic recycling facility is taking shape at Holston. Utilizing an existing 30,000 square foot warehouse and adding 25,000 additional square feet of manufacturing space and 30,000 square feet of raw material storage, a new 85,000 square foot manufacturing complex called "SaveWood" is under construction. The facility is located on approximately 9.7 acres within the shop/administration area at Holston AAP. The facility is expected to employ approximately 40 people and commence production in the fourth quarter of 2005. The process will recycle waste polystyrene rigid foam headliner material from the automotive industry and waste carpet fiber into a core board called Purolflex™ panels for lamination into flooring.

The process is based on European technology and is the first of its kind in the United States. The SaveWood facility is the largest manufacturing initiative to date under the

ARMS Program at HSAAP and the program was a key factor in attracting the facility. The ARMS Program made available approximately \$3 million in incentives and \$10 in loan guarantees. "You can't put together a better financing package and the ARMS guaranteed loan is key," says John Moore, Co-Managing Member of SaveWood LLC. "There are not a whole lot of choices when it comes to incurring long term debt. There is another USDA program that allows you to borrow money, but the ARMS Loan Program with USDA is far superior in my opinion," Moore concludes. "I look forward to bringing this facility to fruition and even possible future expansion of the complex as well as possible development of manufacturing of related products," says John Moore with an eye to the future.

Other commercial tenants preceded the SaveWood operation and the Holston site



SaveWood site taking shape.

continues to build upon these early successes. A new Business Development Center (Incubator) was constructed at the site under cooperation with the city, county and state as well as support from the ARMS Program. The Holston site now has approximately 85 employees among its resident new businesses. A new security/entrance facility has been constructed further from the highway and the perimeter fence has also been moved back. This change, supported by the ARMS Program is allowing construction of a new administrative building (currently under construction) to house BAE and Government personnel in a more secure location while making the current administration building available for commercial use. Further, it makes available approximately 250 acres of prime commercial frontage along 4-lane highway 11-W available for commercial and retail development. "Our early assessments indicated that land in a prime location was one of our major assets" says Tony Hewitt, Commercial Development Director for the site. "The ARMS Program has been vital to our success thus far and I expect that it will

continue to be key in the future" he concludes. Two new tenants, a bank and strip center have already chosen sites on the newly opened frontage. Plans are being developed for a major retail/commercial complex on the remaining frontage to be called "The Shoppes at Allandale" and they will feature regional shopping, town center and lifestyle components.

Yet another change and part of the continuing "new look" is the demolition of building #1 (original administration building). The building had been vacant and sat deteriorating and was an eyesore. Through the ARMS Program, asbestos was removed and the site cleared paving the way for still further future development atop the hill overlooking the current administration building and new entrance to Holston AAP.

"We are making every effort to leverage our assets to the fullest extent under the ARMS Program to generate revenue from commercial ventures and reduce the Army's cost of facility operation towards zero," states Tony Hewitt "and we will continue to build upon our successes to achieve that goal," he concludes.



### Out with the old

Construction workers demolish the old administration building at Holston Army Ammunition Plant on Friday. The building, dating back to 1943, was razed to make way for a new technology park at the plant.

Holston Building 1, Admin, made the front page of the Kingsport Tennessee Times News Saturday, November 6th 2004.



## Westwind and the Logistics Support Facility - Solutions Above and Beyond

In August of 1999, an innovative partnership modeled after the ARMS program was established to respond to the mission needs of the U.S. Army's PEO Aviation. This partnership resulted in an Indefinite Delivery omnibus Logistics Support Facility ("LSF") Requirements Contract between the Logistics Support Facility Management Activity ("LSFMA") of Redstone Arsenal, Alabama; the Army Field Support Command ("AFSC") of Rock Island Arsenal, Illinois; and small-business systems integrator, WestWind Technologies, Inc. ("WestWind") of Huntsville, Alabama.

Since its inception, the LSF IDIQ Contract, with its broad aviation charter and scope, has resulted in the support of over 108 individual delivery orders with an aggregate value in excess of \$125M. This Contract provides various DoD agencies, U.S. and foreign government, and commercial program managers with a quick-response, high-quality, low-cost, full aircraft modification capability. WestWind has succeeded in taking numerous LSF aircraft modification programs from design through production and life cycle support documentation, and is currently performing modifications and installations on each of the four principal Army helicopter platforms.

WestWind adapted its engineering processes to meet the LSF requirement for rapid prototyping and integration of current technologies into the existing U.S. Army Air Vehicle inventory and has the engineering capability to support systems integration at the air vehicle, subsystem, and component levels with emphasis in:

- Aircraft Systems Engineering
- Mechanical Engineering
- Integrated Logistics Support/ Technical Writing (ILS/TW)
- Manufacturing Engineering and Document Control

With its geographic proximity to the Redstone Arsenal End User Program Offices, its engineering and program staff expertise, and the practical knowledge gained through supporting the LSF Program for over five years, WestWind is uniquely qualified and positioned to quickly adapt to evolving mission needs and to support an Army at war.

Participation as small business prime contractor in two recent programs highlights WestWind's delivery and installation of critical aircraft components in response to urgent Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) requirements:

### **Engine/APU Inlet Barrier Filter (IBF) A Kit Installation UH-60 for PM-UH**

July 2004 - August 2004

WestWind responded to an urgent request from the U. S. Army's Blackhawk Program Office (PM-UH) to support a Force Protection requirement. PM-UH required that 10 UH-60's at NTC have EIBF kits installed in order to gather data to make a decision on installing the kits on OIF/OEF aircraft. These engine barrier filters are critical to aircraft performance in desert environments because they inhibit sand from being drawn into the aircraft engine. The OEM could not handle the workload or the schedule--which required a two-shift operation and completion of two aircraft per week at Fort Irwin, California. WestWind assembled a team and



**WestWind EIBF installation on a UH-60 at the National Training Center in Fort Irwin, CA**

began work one week after notification of the Government requirement. Work began on July 7, 2004 and was completed in August less than a month later.

### **Florida National Guard UH-60 for PM-UH**

An over \$10M extensive augmentation effort on the UH-60 ("Blackhawk") began performance on August 12, 2004, by WestWind on behalf of a Florida Reserves unit in order to meet the unit's scheduled mission requirements. This modification effort includes a nonstandard requirement for Forward Looking Infrared (FLIR), external electric rescue hoist, Personnel Locator System (PLS), Ballistic Armor Protection System (BAPS), Fast Rope Insertion and Extraction System (FRIES), and a 200-gallon internal fuel tank "A" kit as well as an additional radio to be integrated as a Special Mission Kit to enhance communications with other users to include Narrowband Multiband/SAT-COM and civil authorities.

The WestWind Huntsville, Alabama facilities currently

employed supporting LSF Programs are:

- LSF Program Offices, Bldg 3457, Redstone Arsenal
- 12,500 Sq Ft Hangar - Redstone Arsenal
- 52,400 Sq Ft Production /Warehouse Facility - Huntsville International Airport
- 20,469 Sq Ft Corporate & Engineering Offices - Huntsville International Airport

WestWind is certified as an FAA Part 145 Repair Station and is ISO 9001/2000 Registered with an AS9100 audit scheduled for the first quarter of 2005. As a burgeoning systems integrator, WestWind currently has over 190 employees focused on core competencies that include design/prototyping solutions, installation, electrical harness and kit manufacturing.

Jeff Udesen, WestWind VP Programs, may be contacted for further information concerning WestWind's participation in the LSF at [jeff.udesen@westwindcorp.com](mailto:jeff.udesen@westwindcorp.com) or 256-774-8415.